

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3232-01
BILL NO.: HB 1610
SUBJECT: Education, Elementary and Secondary: Compulsory School Attendance
TYPE: Original
DATE: April 4, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
State School Moneys	(\$0 to \$16,848,000)	(\$0 to \$17,353,440)	(\$0 to \$17,874,043)
General Revenue	(\$244,950 to \$531,450)	(\$241,558 to \$536,653)	(\$247,678 to \$551,626)
Total Estimated Net Effect on <u>All</u> State Funds	(\$244,950 to \$17,379,450)	(\$241,558 to \$17,890,093)	(\$247,678 to \$18,425,669)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Federal	(\$114,211)	(\$117,255)	(\$120,220)
Total Estimated Net Effect on <u>All</u> Federal Funds	(\$114,211)	(\$117,255)	(\$120,220)

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	(\$7,286,760)	(\$7,505,363)	(\$7,730,524)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator** assume the proposal would result in no fiscal impact to the courts.

Based on a response to a proposal with similar provisions (HB 1427), officials from the **Department of Elementary and Secondary Education (DESE)** assume there could be an increase in the cost to fully fund the foundation formula due to an increase in attendance of students between the ages of 16 and 18. Based on the 1990 census, there would be approximately 13,000 students affected by increasing the compulsory attendance age to 18. The increased cost to fully fund the foundation formula is estimated as follows:

13,000 students x \$4,000 (approximate average cost per pupil) x 50% (assumed percent of students that will stay in school) = \$26,000,000

1) There may be an increase in the cost to fully fund the foundation formula due to an increase in attendance of students between the ages of 16 and 18. Based on the 1990 census, there would be approximately 13,000 students affected by increasing the compulsory attendance age to 18. Support services cost about \$1,730 per student. Therefore, the added cost for keeping 13,000 high school students in school with no decrease in spending per student for the 2000-2001 school year would be:

[13,000 students x (\$4,000 + \$1,730 approximate average cost per pupil and support services cost)] x 50% (assumed percent of students that would stay in school) = \$37,245,000.

DESE officials assume some of these costs would be paid through increased state aid. For example, increased foundation formula funds (if the formula is fully funded) and redistribution of Proposition C, Fair Share and Free Textbook funds would help pay a portion of the increased local cost. On average, state aid (including Proposition C) accounts for 53% of school district revenues available for annual operating costs. DESE assumes that the formula would be fully funded and would provide income to the districts.

Therefore, the FY 2001 estimated net impact on school districts assuming 100% formula funding would be \$37,245,000 - \$26,000,000 = \$11,245,000.

Oversight assumes, based on FY 97-98 DESE data used by the Department of Revenue in a similar fiscal note (HB 1427) that only 8,524 sixteen and seventeen year olds dropped out of school.

ASSUMPTION (continued)

JM:LR:OD:005 (9-94)

Increase in Foundation Formula

8,524 dropouts x \$4,000 (average state cost per pupil) x 50% (attendance) = \$17,048,000

Total Costs to School Districts

8,524 dropouts x (\$4,000 + \$1,730) x 50% (attendance) = \$24,421,260

Officials from the **Department of Social Services - Division of Youth Services (DYS)** assume that in FY 1998 30 youth under the age of 16 were committed to DYS for truancy (down from 51 in FY 97). The annual high school dropout rate for the 1997-98 school year was 5.3%, or approximately 13,363 dropouts, according to Kids Count Missouri. With the additional period of 2 years, 16-18 years, the division estimates that between 15-50 youth ages 16 to 17 years could be committed annually to DYS. According to the 1997 Missouri Juvenile Court Statistics report there were 4,419 referrals for truancy made to the juvenile courts involving youth under the age of 16 years. The division believes that the court would act on referrals between the ages of 16-17 years. DYS further assumes little action would be taken by the courts on the truancy referrals where the youth is 17 years or older. The division's assumption is based on the state statute 211.021, RSMo, that a youth becomes an adult at age 17 years.

Oversight assumes that DYS would not incur any new costs related to providing day treatment for 15-50 youths. It was assumed that the youths would not be placed at one facility, but could be placed at any one of the 33 facilities that currently provide educational programs for DYS.

Furthermore, it was assumed that DYS would obtain state aid through the state foundation formula based on the number of students and their attendance records. Assuming full funding of the state foundation formula, an average instructional cost of \$4,000 per student, and that DESE's estimate to fully fund the foundation formula included costs for DYS, no additional costs were included for DYS. **Oversight** has shown the DYS portion of DESE's costs separately based on 50 students receiving \$5,730 per student for a total of \$286,500. The cost is ranged from zero, since \$286,500 would be the maximum.

The **Department of Social Services (DOS), Division of Family Services (DFS)** assumes that it would be fiscally impacted by this proposal. DFS assumes that requiring children to attend school until age 18 would result in children ages 16 and 17 being reported to the Child Abuse/Neglect (CA/N) Hotline for educational neglect since a parent's failure to send a child to school is a reportable condition.

ASSUMPTION (continued)

To project the fiscal impact, the following staffing formulas and caseload standards for field staff were used:

1 Clerk-typist : 3 professional staff
1 Supervisor III: 3 Supervisor Is
1 Supervisor I : 7 Children's Services Workers
CA/N Investigations: 17 per month per Children's Services Worker
12 Family-centered Services cases per Children's Services Worker

To estimate the number of additional educational neglect reports that would result from the proposal, DFS used data from 1998. There were 3,073 children reported for educational neglect of which 985 were children from 14 or 15 years of age. They assumed they would have the same number of hotlines on 16 and 17 year old children. Of those 985 hotlines, 346 had dispositions which would indicate a need for Family-Centered Services.

DFS assumes they would need the following staff to implement the proposed legislation:

985 CA/N hotlines = 4.8 Children's Services Workers (985 hotlines/17 hotlines per month/12 months per year)

346 FCS cases = 18.3 Children's Services Workers (assuming 41.2% of cases would be open 4 months, 27.6% open 8 months, and 31.2% would be open for 12 months - using FY 98 data as the baseline = 2629 case months, 2629 case months/12 cases per month/12 months per year).

23.1 (4.8 + 18.3) Children Services Workers (to investigate and assess CA/N reports and work with families to improve their parenting skills to an acceptable level of child care)
3.3 Supervisors I (to supervise Children's Services Workers)
1.1 Supervisor III (to supervise Children's Services Workers)
9.2 Clerk-typists II (support for professional staff)

Consistent with similar legislation from the prior year and an insignificant change in workload, **Oversight** assumes that a total of 5 Children's Services Workers, 2.29 Clerk Typists and 1.1 Supervisor would be needed as a result of this proposal.

FISCAL IMPACT - State Government

FY 2001
(10 Mo.)

FY 2002

FY 2003

STATE SCHOOL MONEYS FUND

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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Cost-Department of Elementary and
 Secondary Education (DESE)

Fully Funded Foundation Formula Related to Increased Attendance (less DYS portion at \$4,000 per student)	(\$0 to <u>\$16,848,000</u>)	(\$0 to <u>\$17,353,440</u>)	(\$0 to <u>\$17,874,043</u>)
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GENERAL REVENUE FUND

Cost-Department of Social Services
 Division of Youth Services (DYS)

Instructional Costs-Foundation Formula plus support costs (\$5,730 per student)	(\$0 to \$286,500)	(\$0 to \$295,095)	(\$0 to \$303,948)
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Cost-Department of Social Services
 Division of Family Services

Personal Services (5.62 FTE)	(\$139,860)	(\$172,054)	(\$176,355)
Fringe Benefits	(\$43,007)	(\$52,907)	(\$54,229)
Expense and Equipment	<u>(\$62,083)</u>	<u>(\$16,597)</u>	<u>(\$17,094)</u>
Total <u>Cost-DFS</u>	(\$244,950)	(\$241,558)	(\$247,678)

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	(\$244,950 to <u>\$531,450</u>)	(\$241,558 to <u>\$536,653</u>)	(\$247,678 to <u>\$551,626</u>)
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FEDERAL FUNDS

Cost-Department of Social Services
 Division of Family Services

Personal Services (2.77 FTE)	(\$68,886)	(\$84,743)	(\$86,862)
Fringe Benefits	(\$21,182)	(\$26,058)	(\$26,710)
Expense and Equipment	<u>(\$24,143)</u>	<u>(\$6,454)</u>	<u>(\$6,648)</u>
Total <u>Cost-DFS</u>	<u>(\$114,211)</u>	<u>(\$117,255)</u>	<u>(\$120,220)</u>

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FISCAL IMPACT - Local Government

FY 2001
(10 Mo.)

FY 2002

FY 2003

SCHOOL DISTRICTS

Income-School Districts

Funds from Foundation Formula for
Increased Attendance

\$16,848,000

\$17,353,440

\$17,874,043

Cost-School Districts

Increased Attendance

(\$24,134,760)

(\$24,858,803)

(\$25,604,567)

**ESTIMATED NET EFFECT ON
SCHOOL DISTRICTS**

(\$7,286,760)

(\$7,505,363)

(\$7,730,524)

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

The proposal would raise the age of compulsory school attendance from sixteen years old to eighteen years old. Schools would be required to report to the state literacy hot line the name, mailing address and telephone number of students eighteen years of age or older who drop out of school (currently reporting students sixteen years of age or older).

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Department of Social Services
Office of State Courts Administrator



Jeanne Jarrett, CPA
Director
April 4, 2000